

VERMONT ECONOMIC PROGRESS COUNCIL
MEETING MINUTES
JULY 28, 2011
NATIONAL LIFE BUILDING, 6TH FLOOR
MONTPELIER, VT
9:30 A.M. TO 12:30 P.M.

Members Present: Gordon Bristol, Betsy Gentile, Chris Keyser, Warren Kitzmiller, Mary Lintermann, Stephan Morse, Nancy Port, Bryon Quatrini, Rachel Smith, Mark Young.

Staff Present: Fred Kenney; Alice Cloud

Others Present: Jeff Carr, EPRI; Lori Hirshfield, Hartford DPDS; Sam Andersen, CVEDC; Frank Cioffi, Seth Bowden, GBIC; Peter Odienra, BCIC; John Wilkinson, WCW President, Jean Wilkinson, WCW Vice-president, Bill Layman, CFO, WCW; Marge McDonnell, Tax Director, Paul Comey, VP Environmental Affairs, Tina Bissonette, VP Finance, Adam Sigrist, Capital Financial Analysis Manager, GMCR.

9:30 a.m.: Stephan Morse, appointed as Chair by the Governor on July 14, assumed the Chair and called the meeting to order and asked everyone to introduce themselves.

Stephan welcomed the two new members and Nancy for reappointment. Stephan thanked Chris Keyser for his service as Interim Chair.

9:31 a.m.: Stephan asked the Council if they would like to continue the practice of electing a vice-chair. In response, Betsy Gentile made a motion to nominate Mary Lintermann as Vice-Chair. Warren Kitzmiller seconded and the motion carried unanimously.

9:34 a.m.: Stephan asked if there was any public comment. Nancy asked that the Council send a letter to Carl Rosenquist for his service to the Council. Stephan agreed and stated his thanks, on behalf of the Council for all the years and hard work Carl contributed to the work of the Council and in economic development over the years.

9:36 a.m.: Nancy Port motioned to approve the June 25, 2011 meeting minutes as presented. Mark Young seconded and the motion carried 10-0-0.

9:37 a.m.: Betsy Gentile motioned to enter into Executive Session and Bryon Quatrini seconded. The motion carried 10-0-0.

10:33 a.m.: Mark Young motioned to exit Executive Session and Warren Kitzmiller seconded. The motion carried 10-0-0.

10:33 a.m.: **Green Mountain Coffee Roasters, Inc. - Essex (Initial)**

Nancy Port made a motion to approve an Initial Application from Green Mountain Coffee Roasters, Inc., giving initial authorization of incentives with a maximum of up to \$4,072,790. with an estimated incentive of \$3,703,778. based on application data, for activity to commence in calendar year 2011, citing a determination that the applicant met the But For and program guidelines and that the project will generate a minimum net revenue benefit of \$3,629,501., subject to submittal and consideration of a Final Application before December 31, 2011. Betsy Gentile seconded and the motion carried 10-0-0.

10:35 a.m.: Mark Young motioned to enter into Executive Session and Mary Lintermann seconded. The motion carried 10-0-0.

11:07 a.m.: Mark Young motioned to exit Executive Session and Warren Kitzmiller seconded. The motion carried 10-0-0.

11:10 a.m.: **WCW, Inc. - Bennington Area (Initial)**

Betsy Gentile made a motion to approve an Initial Application from WCW, Inc., giving initial authorization of incentives with a maximum of up to \$522,484., with an estimated incentive of \$502,340., based on application data for activity to commence in calendar year 2011, citing a determination that the applicant met the But For and program guidelines and that the project will generate a minimum net revenue benefit of \$208,438., subject to submittal and consideration of a Final Application before December 31, 2011. Mark Young seconded and the motion carried 10-0-0.

11:11 a.m.: The Council took a short break.

11:19 a.m.: The Council continued deliberation on the Hartford TIF District application.

Lori Hirshfield, Town of Hartford, requested that the Council consider an amendment to the TIF District boundary that was proposed by the original Plan and application. In two locations, the boundary was drawn on one side of the street when it should have been drawn to include the street because infrastructure will likely be developed on that

street. The locations in question are South Main Street at the southern-most end of the TIF District and at the intersection of Hartford Avenue and North Main Street. The Hartford Select Board voted to approve the change on July 26.

11:25 a.m.: Nancy Port moved to approve an amendment to the Hartford TIF District Plan and application to alter the boundary as proposed by the Town of Hartford and approved by the Hartford Select Board on July 26, subject to the receipt of a copy of the Agenda and Minutes of the July 26 Hartford Select Board meeting. Betsy Gentile seconded and the motion carried 10-0-0.

Jeff Carr gave an overview of the technical analysis performed by EPR and subcontractors of the Hartford TIF Plan and application. He confirmed that, in the opinion of the analysts, most aspects of the TIF District meet the criteria and the analysts recommend positive findings for:

- Project Criteria A: Infrastructure expenditures represent a substantial public investment over and above normal municipal or bonded debt.
- Project Criteria E: The transportation infrastructure clearly improves flow, safety and use of public transit.

The analysts expressed concern regarding the request for 100% proportionality on all infrastructure projects, primarily due to utilization of the various infrastructure projects, which will go well beyond utilization by the populations (employees, residents, etc) generated by the new developments. The analysts suggested that if the Council requires more analysis on utilization, further data, information and time would be required. Jeff felt that the council may want the additional information but that it would really just confirm the staff review for proportionality. The analysts also require more information to make any conclusions or recommendation in regards to fiscal and market viability of the Plan due to the ambitiousness of the development calendar and infrastructure plan.

[Link to Preliminary Technical Analysis Report](#)

Lori Hirshfield responded to the analyst's concerns, describing the process they went through to determine costs of the infrastructure, the Growth Center approval process, and the development of the White River Revitalization Plan. She also provided further insights on marketability and market absorption rates in White River as to occupancy rates being quite low and that new commercial space being 100% occupied. The town also recognized the due diligence by the owners and developers for marketability of

development. She also addressed proportionality and argued that all the projects have direct benefits to the TIF District.

The Council also asked Lori to provide further explanation for the boundaries of the District, specifically regarding the parcels on which no known, current development or redevelopment projects were planned. She explained the nexus between the parcels in question and the proposed infrastructure projects. There was an opportunity of the big picture for the downtown. The possible anticipation for development potential in areas that were not specifically noted in the TIF District were not to be excluded but not developmentally included either. There is viability of the whole area but the town wanted to look at TIF District in a financially conservative manner.

12:17 p.m.: Mary Lintermann made a motion that the Council find that the Hartford TIF District and application meet the purpose of a TIF District as stated by statute, but the Council conditions approval on annual reporting that includes job creation data with detailed information on the employers such as type of business, number of employees, and previous location (if any), for tracking purposes. Chris Keyser seconded and the motion carried 10-0-0.

12:18 p.m.: Chris Keyser made a motion that the Council find that the Process Criteria are met by the Hartford TIF District Plan and application. Warren Kitzmiller seconded and the motion carried 10-0-0.

12:19 p.m.: Betsy Gentile made a motion that the Council find that the infrastructure development proposed by the Hartford TIF District Plan requires substantial public investment over and above the normal municipal or bonded debt expenditures of the town, and therefore Project Criterion A (Need), is met. Mary Lintermann seconded and the motion carried 10-0-0.

12:19 p.m.: Chris Keyser made a motion that the Council find that there is an area in the Hartford TIF District in which a hazardous substance, pollutant, or contaminant is or may be present that is likely to complicate the expansion, development, redevelopment, or reuse of the property, and that one of the proposed projects will cause the remediation and redevelopment of that site, and therefore, Project Criterion C (Brownfield remediation), is met. Nancy Port seconded and the motion carried 10-0-0.

12:20 p.m.: Warren Kitzmiller made a motion that the Council find that that the transportation infrastructure proposed by the Hartford TIF District Plan will enhance transportation by creating improved traffic patterns and flow or creating or improving

public transportation systems, and therefore, Project Criterion E (Transportation), is met. Betsy Gentile seconded and the motion carried 10-0-0.

12:21 p.m.: Mary Lintermann made a motion that the Council approve the Hartford TIF District proposal of 100% proportionality for all infrastructure projects. Nancy Port seconded and the motion carried 9-1-0 with Mark Young opposed.

12:24 p.m.: Nancy Port left the meeting.

12:26 p.m.: Betsy Gentile made a motion that the Council find that nexus has been established between the proposed infrastructure projects, the expected real property developments, and all parcels included in the Hartford TIF District. Warren Kitzmiller seconded and the motion carried 9-0-0.

12:28 p.m.: Chris Keyser made a motion that the Council table the issue of Viability and the financing plan until the next meeting. Mark Young seconded and the motion carried 9-0-0.

12:29 p.m.: Fred Kenney updated the members on his appearance and testimony at the Joint Fiscal Committee and the Emergency Board on July 21. The JFC asked for testimony on the annual update to the VEGI cost-benefit model and they voted to approve the model. The Emergency Board considered the Council's request to exceed the VEGI Cap for calendar 2011 and approved the request with a new cap of \$18,000,000. Also there has been feedback from companies regarding the lack of communication from the Tax Department about claim submissions for the VEGI program.

12:33 p.m.: Mark Young made a motion for staff to draft a letter from the Council chair to the Tax Department encouraging more timely examination of VEGI claims and incentive payments, if earned, and to better communicate the status of the claims with the claimants. Gordon Bristol seconded and the motion carried 9-0-0.

12:40 p.m.: The meeting was adjourned.

*Minutes taken by Alice Cloud: **July 28, 2011***

*Revised by Fred Kenney: **July 29, 2011***

*Approved by the Board: **October 27, 2011***